

OPEN MEETING ITEM



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COMMISSIONERS
DOUG LITTLE – Chairman
BOB STUMP
BOB BURNS
TOM FORESE
ANDY TOBIN



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Executive Director

ARIZONA CORPORATION COMMISSION 2016 JUL 14 P 2:47

AZ CORP COMMISSION
DOCKET CONTROL

DATE: JULY 14, 2016
DOCKET NO.: W-01732A-15-0131 AND W-01303A-15-0131

TO ALL PARTIES:

Enclosed please find the recommendation of Administrative Law Judge Scott M. Hesla. The recommendation has been filed in the form of an Order on:

WILLOW VALLEY WATER CO., INC. AND EPCOR WATER ARIZONA, INC.
(ORDER EXTENDING TIME DEADLINE CONTAINED IN DECISION NO. 75484)

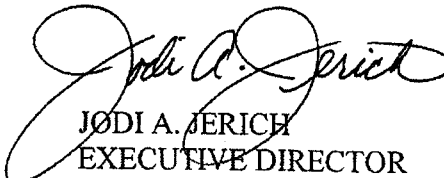
Pursuant to A.A.C. R14-3-110(B), you may file exceptions to the recommendation of the Administrative Law Judge by filing an original and thirteen (13) copies of the exceptions with the Commission's Docket Control at the address listed below by **4:00** p.m. on or before:

JULY 25, 2016

The enclosed is NOT an order of the Commission, but a recommendation of the Administrative Law Judge to the Commissioners. Consideration of this matter has tentatively been scheduled for the Commission's Open Meeting to be held on:

AUGUST 9 AND 10, 2016

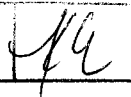
For more information, you may contact Docket Control at (602) 542-3477 or the Hearing Division at (602) 542-4250. For information about the Open Meeting, contact the Executive Director's Office at (602) 542-3931.


JODI A. JERICH
EXECUTIVE DIRECTOR

Arizona Corporation Commission
DOCKETED

JUL 14 2016

DOCKETED BY



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This document is available in alternative formats by contacting Shaylin Bernal, ADA Coordinator, voice phone number 602-542-3931, E-mail SABernal@azcc.gov.

1 **BEFORE THE ARIZONA CORPORATION COMMISSION**

2 COMMISSIONERS

3 DOUG LITTLE – Chairman
4 BOB STUMP
5 BOB BURNS
6 TOM FORESE
7 ANDY TOBIN

8 IN THE MATTER OF THE JOINT APPLICATION
9 OF WILLOW VALLEY WATER CO., INC. AND
10 EPCOR WATER ARIZONA, INC. FOR APPROVAL
11 OF THE SALE OF ASSETS AND TRANSFER OF
12 CERTIFICATE OF CONVENIENCE AND
13 NECESSITY.

DOCKET NO. W-01732A-15-0131
DOCKET NO. W-01303A-15-0131

DECISION NO. _____

ORDER EXTENDING TIME
DEADLINE CONTAINED IN
DECISION NO. 75484

11 Open Meeting
12 August 9 and 10, 2016
13 Phoenix, Arizona.

14 **BY THE COMMISSION:**

15 * * * * * * * * *

16 Having considered the entire record herein and being fully advised in the premises, the
17 Commission finds, concludes, and orders that:

18 **FINDINGS OF FACT**

19 1. In Decision No. 75484 (March 10, 2016), the Arizona Corporation Commission
20 ("Commission") approved the application of Willow Valley Water Co., Inc. ("Willow Valley") and
21 EPCOR Water Arizona, Inc. ("EPCOR") for the sale of Willow Valley's assets and transfer of its
22 Certificate of Convenience and Necessity ("CC&N") to EPCOR.

23 2. Decision No. 75484 ordered, *inter alia*, the following:

24 ...that EPCOR Water Arizona, Inc. shall file with Docket Control, as a
25 compliance item in this matter, within 90 days of the effective date of
26 this Decision, a report containing a detailed analysis and plan to reduce
27 water loss to 10 percent or less. If EPCOR Water Arizona, Inc. believes
28 it is not cost effective to reduce water loss to less than 10 percent, it
 should submit a detailed cost benefit analysis to support its opinion
 within the same time frame. In no case shall EPCOR Water Arizona,
 Inc. allow water loss to be greater than 15 percent.

1 3. Based on the effective date of Decision No. 75484, the compliance deadline for filing
2 the aforementioned report was June 8, 2016.

3 4. On June 7, 2016, EPCOR filed a Request for an Extension of Time to File Compliance
4 Item ("Motion") requesting that the compliance deadline for filing the report be extended until August
5 9, 2016. In its Motion, EPCOR explains that additional time is needed to complete its water loss
6 assessment and prepare the required report because EPCOR only recently assumed control of the water
7 system after the transaction closed on May 9, 2016.

8 5. On June 27, 2016, the Commission's Utilities Division ("Staff") filed a Memorandum
9 stating that it does not object to EPCOR's request for an extension of time. Staff concludes that EPCOR
10 needs additional time to operate the system and recommends that the Commission adopt a longer
11 extension of time than that requested by EPCOR. According to Staff, a longer extension of time will
12 ensure that EPCOR has adequate time to analyze the system and develop the required report. Staff
13 therefore recommends that the compliance deadline for filing the report be extended until December
14 31, 2016.

15 6. There were no objections filed in response to Staff's recommendation.

16 7. Under the circumstances, we find that it is reasonable and in the public interest to extend
17 the compliance deadline for filing the report until December 31, 2016, as recommended by Staff.

18 CONCLUSIONS OF LAW

19 1. EPCOR Water Arizona, Inc. is a public service corporation within the meaning of
20 Article XV of the Arizona Constitution and A.R.S. §§ 40-281, 40-282 and 40-285.

21 2. The Commission has jurisdiction over EPCOR Water Arizona, Inc. and the subject
22 matter of the Motion.

23 3. It is reasonable and in the public interest to extend the compliance deadline for filing
24 the report, as recommended by Staff.

25 ORDER

26 IT IS THEREFORE ORDERED that the compliance deadline for EPCOR Water Arizona, Inc.
27 to file the report, as required by Decision No. 75484, is hereby extended until December 31, 2016.

1 IT IS FURTHER ORDERED that, in all other respects, Decision No. 75484 shall remain in full
2 force and effect.

3 IT IS FURTHER ORDERED that this Decision shall become effective immediately.

4 BY ORDER OF THE ARIZONA CORPORATION COMMISSION.
5
6

7 CHAIRMAN LITTLE

COMMISSIONER STUMP

8
9 COMMISSIONER FORESE

COMMISSIONER TOBIN

COMMISSIONER BURNS

10
11 IN WITNESS WHEREOF, I, JODI JERICH, Executive Director
12 of the Arizona Corporation Commission, have hereunto set my
13 hand and caused the official seal of the Commission to be affixed
14 at the Capitol, in the City of Phoenix, this _____ day
15 of _____ 2016.

16 JODI A. JERICH
17 EXECUTIVE DIRECTOR

18 DISSENT _____

19
20 DISSENT _____
SMH:rt

1 SERVICE LIST FOR:

WILLOW VALLEY WATER CO., INC. AND EPCOR
WATER ARIZONA, INC.

2 DOCKET NO.:

W-01732A-15-0131 AND W-01303A-15-0131

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